

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 3  
Mauka End of Kaahumanu Street  
Waiau, Ewa, Oahu

REGISTRATION NO. 1734

**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 23, 1986

Expires: June 23, 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 JANUARY 17, 1986, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF MAY 13, 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.

1. Since the issuance of the Commission's Preliminary Public Report on THE HEIGHTS AT WAILUNA, INCREMENT 3, Registration No. 1734, on January 28, 1986, 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 3 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 19486, Page 487, and Liber 19486, Page 518, respectively. The Floor Plans have been designated Condominium Map No. 1003. 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, May 23, 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 January 28, 1986, except for those set forth under the topical headings below:

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:

"(2.1) The land . . . in fee simple;

(2.2) 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 also the sidewalks within the road that are common elements are shown on the Site Plan which is a part of said Condo Map. The location of the fences and the walls may vary somewhat from location shown on the Condo Map);

(2.3) 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);

(2.4) 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>
A	9
A-1	8 & 9

(2.5) 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

(2.6) 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."

LIMITED COMMON ELEMENTS. Certain parts of the common elements, called and designated "limited common elements", are set aside and reserved 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:

"(3.1) The various separate land areas numbered "1" through "30" as shown on said Condo Map are limited common elements. Each of the apartments has appurtenant thereto as a limited common element the land area having the same number as said apartment. (NOTE: The limited common area designated as land areas "1" through "30" are sometimes herein referred to as a Condo lot. The square footage of a Condo lot may vary somewhat from that shown on the Condo map.)

(3.2) The driveway extending from the road within the project to the garage of each dwelling unit is a limited common element on said apartment.

(3.3) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

All limited common elements, costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements, shall be charged to the owner of the apartment to which the limited common elements are appurtenant, and all such charges shall be collected in the same manner as common expenses and the Association shall have a lien against apartments for any unpaid charges in accordance with paragraph 9 of this Declaration."

TITLE. The Developer has submitted to the Commission an updated status title report dated February 28, 1986, prepared by Title Guaranty of Hawaii, Inc., which reaffirms leasehold title in the Developer.

ENCUMBRANCES AGAINST TITLE. Said updated status title report dated February 28, 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-D (besides other land).

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT:

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

MORTGAGEE : BANK OF HAWAII, a Hawaii banking corporation

DATED : March 22, 1985

RECORDED : Liber 18561 Page 752

4. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT:

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

MORTGAGEE : BANK OF HAWAII, a Hawaii banking corporation

DATED : April 10, 1985

RECORDED : Liber 18600 Page 13

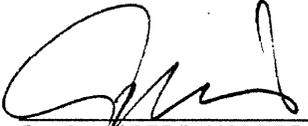
5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT:
  - MORTGAGOR : JOHN D. LUSK & SON, a California corporation
  - MORTGAGEE : BANK OF HAWAII, a Hawaii banking corporation
  - DATED : June 26, 1985
  - RECORDED : Liber 18776 Page 427
  
6. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
  - MORTGAGOR : THE LUSK COMPANY, formerly known as John D. Lusk & Son, a California corporation
  - MORTGAGEE : BANK OF HAWAII, a Hawaii banking corporation
  - DATED : January 7, 1986
  - RECORDED : Liber 19324 Page 7
  
7. Easement "7" for access purposes, containing an area of 963 square feet.
  
8. Easement "1" for road and utility purposes, containing an area of 30,554 square feet.
  
9. Agreement for Issuance of Special Use Permit under section 21-2.71 of the Comprehensive Zoning Code of the City and County of Honolulu dated December 17, 1981, recorded in Liber 16210 at Page 17, 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.
  
10. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated April 3, 1985 between Trustees of the Estate of Bernice Pauahi Bishop, "Owners", and Lear Siegler, Inc. and Lear Siegler Properties, Inc., both Delaware corporations, "Tenant", as Lessor and John D. Lusk & Son, a California corporation as Lessee, recorded in Liber 18561, Page 710.
  
11. Declaration (Wailuna, Top of the Ridge) dated March 8, 1983, recorded in Liber 18437 at Page 711.
  
12. Real Property taxes as may be due and owing.

In addition, the property is subject to the Declaration, ByLaws and Condominium Map No. 1003 mentioned on Page 2 of this 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 January 17, 1986 and information subsequently filed as of May 13, 1986.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1734 filed with the Commission on January 17, 1986.

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

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

Registration No. 1734

May 23, 1986

THE HEIGHTS AT WAILUNA, INCREMENT 3  
LEASEHOLD CONDOMINIUM  
DEVELOPER'S DISCLOSURE ABSTRACT  
(EXHIBIT A - NEW HOME LIMITED WARRANTY;  
EXHIBIT B - PROPOSED OPERATING BUDGET FOR THE PROJECT)  
(AMENDED)

Name of Project: THE HEIGHTS AT WAILUNA, INCREMENT 3  
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 thirty (30) 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 revised estimated operating budget for the Association of Owners of the Project dated April 24, 1986, 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:

	<u>Monthly</u>	<u>Annually</u>
The Heights at Wailuna	\$69.38	\$ 832.56
Wailuna Recreation Association	<u>19.00</u>	<u>228.00</u>
TOTALS	<u>\$88.38</u>	<u>\$1,060.56</u>

DATED: Honolulu, Hawaii, April 28, 1986.

WAILUNA

New Home Limited Warranty

IMPORTANT: Sales representatives are not authorized to modify or add to the terms of this warranty policy. The Builders standard New Home Limited Warranty Policy is as follows:

1. Subject to the provisions of this policy, we will correct any defect in the structural components of your home due to faulty materials or workmanship of which we receive written notice during the one-year period following the date of close of escrow, or the date you take possession, whichever occurs earlier (the "warranty year"). The foregoing shall only apply to the structural components of your home which include the walls, wall covering, floors, ceilings, roof, doors, cabinets, shelves, closets, patios, balconies, bathroom fixtures, railings, shingles, gutters and windows. The foregoing shall also apply to the structural components of the plumbing, electrical, heating and air conditioning systems (if any) which include such things as ducting, wiring and pipes. This warranty shall not extend to any portion of the plumbing, electrical, heating and air conditioning systems which are not a part of the structural component of your home or which carry an express warranty by the manufacturer thereof. The structural component does not include any appliances, equipment or other "consumer" items which may be attached to the structural component, such as a smoke alarm installed in a bearing wall or the water heater attached to the hot water pipes. These consumer items are not a part of the structural component for the purposes of the Warranty, but they are generally warranted by the manufacturers thereof and you should look directly to the manufacturers for service on these items. Obviously, any item can be a "consumer" item depending on how it is sold, but we consider an item to be part of the structural component of your home if it has no separate function other than as part of the house. If a defect appears which the owner thinks is covered by the Limited Warranty, he must notify us in writing of the defect within a reasonable time following its discovery, but in no event later than one (1) week after the end of the applicable warranty period. Upon receipt of a written report of a defect, if the defective item is covered by this Limited Warranty, we will repair or replace it at no charge to the homeowner, within sixty (60) days (longer if weather conditions, labor problems or material shortages cause delays). The work will be done by us, or by a subcontractor of our choice. The choice between repair or replacement is also ours. Our sole responsibility under this warranty shall be to restore your home to the condition existing at the time the defect occurred. We do not take responsibility for any secondary damage caused by the defect, including, without limitation, damage to your personal property.

2. We will warrant all concrete, brick, stone and other masonry against substantial defects for a period of one (1) year. However, we will repair only those cracks in house slabs, basement floor and walls, garage slabs, walks and other masonry which substantially interrupt the plane of surface or affect its structural value and integrity. We will not assume responsibility for hairline cracks in concrete, plaster,

drywall, masonry, ceramic tile and other rigid materials which occur due to normal expansion, contraction and settlement; the foregoing shall, without limitation, apply to hairline cracks in walls, driveways, garage floors, patios, and balconies, and to ceramic tile in the kitchen, shower, bathroom and entryway areas. We will not be responsible for and will not repair minor separation of ceramic tile grout at the tub line or at the intersection of a wall and floor where it is adjoined with other material resulting in loose grout.

3. We will make minor repairs such as doors sticking, cabinet drawer adjustments, failure of electrical plugs and operating fixtures, leaking faucets, tile caulking and the like only if brought to our attention in writing during the thirty (30) day period following the close of escrow or the date you take possession, whichever occurs first.

4. We will only correct defects or smudges of painted surfaces, counter tops, chipping of porcelain or tile in the kitchen, sinks, bathtub or elsewhere, chipped or otherwise defective surfaces of plumbing fixtures, torn or defective screens, defects in cabinet surface or finish, broken window or mirrored glass or similar defects readily visible to the human eye which go beyond industry standards or normal production tolerances and which are noted at the time of your Pre-move-in Inspection. The foregoing does not apply to hairline cracks in rigid materials which are covered above.

We will not be responsible for normal fading, chalking, or checking or paint or stucco which is not in excess of industry standards, which may occur due to sunlight or exposure to the elements. Where we do engage in paint and stucco repairs or patching, we do not warrant that the new paint or stucco will match perfectly with the old.

5. Plumbing drains are tested for proper operating before occupancy and we will only take responsibility for stoppages which are reported to us in writing within thirty (30) days after you take possession of your home. We will warrant the structural components of the plumbing system to be in proper working order and free from defective materials and workmanship for a period of one (1) year; provided, however, that normal maintenance items such as toilet adjustments and repair of dripping faucets are limited to a thirty (30) day warranty period. This warranty does not extend to the water heater or external plumbing fixtures, or any other portion of the plumbing system which is not a part of the structural component of your home or which carries an express warranty by the manufacturer of that part. Nor does this Warranty include the system or any of its parts which became defective through faulty operation, lack of routine maintenance, or alteration by the homeowner or his agents. Any costs we incur to eliminate a stoppage, whether or not reported within the thirty (30) day period, resulting solely from your use of the home will be billed to you.

6. We will warrant the electrical system for a period of one (1) year as follows: that the electrical system has been installed in accordance with good electrical practice and meets inspection agency standards. This warranty does not extend to the electrical system which is not a part of the structural

component of your home, including light bulbs and light fixtures, or which carries an express warranty by the manufacturer of that part. Nor does this warranty include the system or any of its parts which become defective through faulty operation, lack of routine maintenance, or alteration by the homeowner or his agents.

7. We will warrant proper operation of the heating system, in the original finished room areas, for a period of one (1) year as follows: that the heating system has been installed in accordance with good heating practice and meets inspection agency standards. This warranty does not extend to the furnace or any other portion of the heating system which is not a part of the structural component of your home or which carries an express warranty by the manufacturer of that part. Nor does this warranty include the system or any of its parts which become defective through faulty operation, lack of routine maintenance, or alteration by the homeowner or his agents.

8. We will warrant the air conditioning system, if included in the sale of the dwelling, for a period of one (1) year as follows: that the air conditioning system has been installed in accordance with good air conditioning practice and meets inspection agency standards. This warranty does not extend to the air conditioning system which is not a part of the structural component of your home or which carries an express warranty by the manufacturer of that part. Nor does this warranty include the system or its parts which become defective through faulty operation, lack of routine maintenance, or alteration by the homeowner or his agents.

9. The provisions of this policy are not transferable and only extend to the original buyer of each home if such original buyer occupies the home as his principal residence or purchases with the intent to occupy as his principal residence. In any event, the warranty herein provided shall automatically terminate as to the home when the original buyer ceases to occupy the home, upon the sale (by grant deed, installment land sales contract or otherwise) or lease of the home by the original buyer, or upon the expiration of the warranty year, whichever first occurs. Steps taken by the Builder to correct any defects shall not extend the warranty year beyond its initial one (1) year term.

10. Except as provided herein, the Builder makes no express warranty as to materials or workmanship. Without limiting the generality of the foregoing, we make no express warranties as to any appliances, fixtures, carpeting or other consumer items installed in your home and which are not part of the structural component thereof, nor do we adopt any express or implied warranties made by the manufacturers of such items. Any warranty claims on such consumer items should be made directly to the manufacturer of a defective item and not to the Builder. Rights under these manufacturers' warranties flow directly from the manufacturer to you, and you should consult these warranties for the terms and periods of coverage. The following are examples of such warranties, though not every home includes all of these items and some homes may include appliances or equipment not in this list:

Refrigerator	Range	Space Heater
Furnace	Washing Machine	Hot Water Heater
Dryer	Dishwasher	Garbage Disposal
Ventilating Fans	Air Conditioner	Boiler
Heat Pump	Exhaust Fan	Electric Air Cleaner
Thermostat	Sump Pump	Humidifier
Central Vacuum System	Smoke Detector	Fire Alarm
Fire Extinguisher	Chimes	Garage Door Opener
Water Pump	Intercom	Burglar Alarm
Electric Meter	Water Meter	Gas Meter
Barbeque Grill	Whirlpool Bath	Water Heater
Water Softener	Freezer	Trash Compactor
Oven (and hood)	Ice Maker	

11. The provisions of this policy shall not extend to, and we shall not be responsible to repair any portion of your home, structural or otherwise, which you or your employees or contractors have modified or added to in any way, including without limitation attempted repairs.

The provisions of this policy also do not extend to damage due to ordinary wear and tear, damage due to lack of proper maintenance, or damage due to abusive or unwarranted use.

I (We) have received a copy of this policy.

BUYER:

\_\_\_\_\_

\_\_\_\_\_

PROPOSED OPERATING BUDGET  
THE HEIGHTS AT WAILUNA  
INCREMENT III

<u>ACCOUNT</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
Office & Admin Expense	\$ 20	\$ 240
Management Fee	250	3,000
Accounting/Audit Preparation	8	96
Electricity	150	1,800
Water	205	2,460
Sewer	225	2,700
Grounds Maintenance	730	8,760
Portable Equip Maint & Rpr	20	240
Custodial Svc & Supplies	15	180
General Maintenance	50	600
Fire Safety	3	36
General Excise Tax	5	60
SMP/Fire Insurance	350	4,200
Member Dues/Assessments	570	6,840
Eqp Prch/Impr/Major Proj	<u>50</u>	<u>600</u>
TOTAL DISBURSEMENTS	\$ 2,651	\$31,812

THE HEIGHTS AT WAILUNA EXPENSES, INCREMENT III

<u>MAINTENANCE FEES</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
PER UNIT:	\$88.38	\$1,060.56

Includes recreation association dues

The undersigned certifies that the above schedule of annual maintenance fees and monthly estimated costs for The Heights at Wailuna, Increment 3 is based on generally accepted accounting principles.

CERTIFIED MANAGEMENT  
A Division of A R Corporation

Date: April 24, 1986

By: *Robert W. Smith*

EXHIBIT "B"